



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 725 (1941)

July 20, 1982

SUBJECT: Form FmHA 440-4, "Security Agreement
(Chattel and Crops)"

TO: All State Directors, District Directors
and County Supervisors (Except Louisiana)

Our Office of the General Counsel (OGC) has alerted us to a problem that exists with Form FmHA 440-4 "Security Agreement (Chattel and Crops)."

All revisions of Form FmHA 440-4 dated prior to December 9, 1980, are to be destroyed in accordance with Procedure Notice Number 837 dated June 30, 1982. Between the end of the "NOW THEREFORE" paragraph and Item 1, the statement: "DEBTOR HEREBY GRANTS to Secured Party a security interest in debtor's interest in the following collateral, including the proceeds and products thereof," was inadvertently omitted in a previous revision.

The FmHA is now being challenged on this omission in court. It is imperative that each FmHA chattel borrower case file be checked to ascertain whether or not the latest Security Agreement contains the omitted language. If the Security Agreement does not have the language, County Supervisors will obtain a new security agreement on Form FmHA 440-4 (Revised December 9, 1980) without delay. The old security agreement will be retained in the county office file.

CHARLES W. SHUMAN
Administrator

EXPIRATION DATE: September 30, 1982

FILING INSTRUCTIONS: File
Preceding FmHA Instruction 1941-B

